




Speech By
Steve Minnikin

MEMBER FOR CHATSWORTH

Record of Proceedings, 28 October 2021

STATE DEVELOPMENT AND REGIONAL INDUSTRIES COMMITTEE

Report, Motion to Take Note

 **Mr MINNIKIN** (Chatsworth—LNP) (3.44 pm): I would like to make a brief contribution to the *Examination of Auditor-General Report 14: 2019-20—Evaluating major infrastructure projects*. At the outset I want to say that this is not a committee I am familiar with—normally it is the Transport and Resources Committee—but I thank the members of that relevant committee. I have read the report with interest. It might be only a fairly thin document but it contains a lot. I will go to the very first page and quote the chair's foreword—it is very important. It states—

With billions spent each year on state infrastructure projects it is vital that the government has access to rigorous and comprehensive infrastructure advice. It is therefore important that lessons learned from this audit continue to be taken into consideration with the transition of Building Queensland to government.

We all know that the government did that very recently. The other part of the report that I found interesting is contained on page 4. It is the third bullet point in section 2.2.1.1, which states—

- Business cases reviewed by the QAO varied in the adequacy of their analysis and did not always align with scale, complexities, and risks associated with each project.

This is fundamentally important. It is a moot point now that the government has disbanded Building Queensland, but it is very important when it comes to the efficacy of project delivery in this state. I want to refer to some of the latest issues that I certainly have come across as the shadow minister for transport and main roads. If we are looking at major infrastructure projects, I want to refer to Minister Bailey's budget blowouts including Gold Coast Light Rail stage 3A.

In terms of the efficacy of the actual reporting of this, there is one problem. Despite the scrutiny from an infrastructure perspective, this project has blown out now by \$334 million. We all know that the feds have had to swoop in and provide extra funding to keep this project going. The government announced that the project was due to start construction before Christmas—that was Christmas last year. The fact of the matter is that the main works package still has not been signed off. When you are trying to evaluate major infrastructure projects, there are no key milestones that are even being remotely adhered to and reported on. This is an absolute failure yet again on the transport minister's watch.

I will keep going because I had hoped the Auditor-General would look at another project as it relates to major infrastructure. It is another one of Minister Bailey's budget blowouts, and that is the Coomera Connector. This project has blown out by a whopping \$600 million. In fact, I have written to the Auditor-General about the land resumption costs as part of this project which surely must have been taken on board as part of the cost-benefit analysis of this particular project years ago. How can you have a project of major strategic infrastructure importance and you are building on a thing called 'land', but they did not even acquire the necessary parcels? Something is sadly rotten in the state of Denmark, in the state of Queensland, when it comes to projects on Minister Bailey's watch.

I want to pick up on something the member for Traeger mentioned. It is probably the mothership of all infrastructure projects—the self-proclaimed biggest project under this government’s watch—and that is, of course, Cross River Rail. If we are talking about business case analysis, Infrastructure Australia said back in 2017—

The benefits of the proposed project, as set out in the business case, are significantly overstated, and that the costs of the project as currently presented are likely to exceed its benefits.

Boy, were they spot on. This so-called \$5.4 billion project, according to the minister in release after release, is now going to cost probably closer to \$7.4 billion. In fact, only a couple of days ago the Minister for Transport and Main Roads referred to Mayne Yard stabling. A couple of months ago in a Channel 7 interview it was said that it was outside the scope of Cross River Rail. Now we know that it is included. This is another example of Minister Bailey’s budget blowouts.